

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



RELEASE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 11-80

WASHINGTON, July 30--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

The SOVIET UNION has purchased 100,000 tons of U.S. corn and 100,000 tons of U.S. wheat for shipment during the fifth year of the US/USSR Grain Agreement (Oct. 1980-Sept. 1981), according to reports by private U.S. traders. These are the first sales reported for the fifth year of the agreement and they are within the announced U.S. policy permitting purchases of up to 8 million tons during 1980/81. During the 1979/80 agreement year, the United States exported 7.9 million tons of wheat and corn to the USSR.

BRAZIL recently approved 500,000 tons of corn imports, primarily for the drought-stricken northeast. If the drought continues and the situation deteriorates further, imports could exceed the 500,000-ton level. Some reports indicate that purchases in excess of 500,000 tons have already been arranged.

As a result of the drought, Brazil is not expected to produce any corn for export or for stockpiling this year. Furthermore, strong demand by the hog and poultry industries could boost domestic demand by as much as 10 percent this year. Before 1978, Brazil exported about 1 million tons of corn annually, mainly to Western European destinations.

INDIA's monsoon activity to date has been highly beneficial for sowing the fall grain crops (mostly rice and coarse grains), and a normal outturn seems likely at this stage. The intensity of the 1980 monsoon during the first eight weeks has been substantially better than last year with 88 percent of the entire country enjoying above-average precipitation (using 1970/71 as a base). This compares with 50 percent last year when the crop was reduced by drought and 89 percent in the previous year which produced a record total grain outturn. However, timely and ample rains during the remainder of the season will be an important factor in the final outcome of the 1980/81 fall grain crop, and to a large degree, will determine India's policy regarding grain trade.

- more -

GERALDINE SCHUMACHER, Editor. Tel: (202) 447-2381, 447-3370. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

NIGERIA has resumed rice imports following several months of uncertainty regarding the issuance of government import licenses. A purchase of 70,000 tons of Thai parboiled rice for use in government feeding programs was reported recently and purchases of high quality U.S. parboiled rice have totaled 54,000 tons since early June. Nigeria was a leading rice market for the United States in CY 1978, when U.S. exports reached 256,000 tons. However, a partial ban on rice imports reduced U.S. sales in 1979 to 43,000 tons. Nigerian rice imports are estimated at 500,000 tons for 1980, of which half could be from the United States.

OILSEEDS AND PRODUCTS

INDIA recently received an interest-free credit of \$22 million for 50 years from the International Development Association to finance a \$45.7 million project for increasing its cashew nut production in several states. The credit will fund the planting of 5,377 hectares and the improvement of 7,500 hectares already planted. It is anticipated the project will eventually increase India's annual production--which has averaged 150,000 tons in recent years--by 53,000 metric tons.

HORTICULTURAL AND TROPICAL PRODUCTS

BRAZIL's government reduced its export tax on cocoa beans from 12 percent to 5 percent, and eliminated its 6 percent levy on cocoa product exports effective July 18, 1980.

The INTERNATIONAL COFFEE AGREEMENT's (ICA) 20-day moving average of the composite indicator price for coffee fell to 166.91 cents per pound on Wednesday, July 9. Since this was below the pre-determined "trigger" level of 168.27 cents, the terms of the ICA call for a special meeting of the Executive Board of the International Coffee Organization to be convened within 14 days to review the market situation and consider appropriate actions. Since the ICA's Executive Board had earlier scheduled a meeting in London on July 28, 1980 to discuss administrative and other routine matters, it will expand the agenda to include examination of the coffee market situation and consideration of appropriate action under the Agreement's provision concerning the imposition of export quotas.

INDIA plans to resume jute exports this year in view of its current large stocks (1.3 million bales of 180 kgs. each) and expected good harvest. The Jute Corporation of India (JCI) has been empowered by the Indian government to export any quantity or grade of raw jute without restriction. Raw jute has not been exported from India during the last two or three years. The JCI is expected to explore markets in the Middle East, Far East, Europe, and West Africa where various grades of jute are in demand.

To promote sales of Indian jute goods in West European countries, the Indian government has authorized the Jute Manufacturers Development Council to participate in the forthcoming International Carpet Fair at Harrogate (United Kingdom) scheduled for September 2-5, 1980.

- more -

JAPAN's Ministry of Agriculture has forecast a 10 to 20-percent decline in that country's 1980/81 satsuma (unshu mikan or mandarin) orange crop from the 1979/80 record outturn of 3.6 million metric tons. The expected decline in the next crop--which will begin to be harvested in October--is attributable mostly to the trees' cyclical production pattern.

AUSTRIA's deciduous fruit output is expected to surpass the 1979 level despite unseasonably cool weather during the early part of the season. The forecast for peaches, at 11,897 metric tons, is 67 percent above 1979. Bumper harvests of apples and pears are also anticipated, although no estimates are currently available. Current production estimates for other summer fruits (with percentage changes from 1979 in parentheses) are as follows: sweet cherries--24,147 tons (+2.9); sour cherries--3,424 (+11.7); prunes and plums--85,275 (-2.3); and apricots--11,293 (-8.9).

SWEDEN revised its method for calculating import levies on dehydrated potato products during its biannual agricultural compensation negotiations held recently. The result of this action is that, for 1980/81 (beginning July 1) and future years, levies will be lower on these products than would have been the case under the old system. However, the 1980/81 levies are still slightly above the previous year because they are tied to the grower support price for potatoes which was raised during the negotiations.

The 1980/81 levies (in U.S. dollar equivalents) increased from \$74.80 to \$76.90 per 100 kilograms for mashed potato powder and from \$87.00 to \$89.70 per 100 kilograms for potato flakes. These levies are about 15 percent lower than those which would have been in effect if the calculating method had not been revised.

SWEDEN's southern crop areas have been hit by heavy rains which are resulting in severe crop losses. The county of Skane--which received 12.5 inches of rain from mid-June through mid-July--estimates losses of around \$12 million to all crops and the sugarbeet crop is one of those damaged most. The beets are reported to be yellow, rotting, and nearly submerged in water. No estimate has been made of total losses to Sweden's 1980/81 sugarbeet crop. However, since southern Sweden is the prime growing area, the 1980/81 sugar outturn could be considerably less than the 334,000 tons produced in 1979/80. The first beet tests are scheduled for August 6 and will give a more precise assessment of the probable size of the current crop. A commission has been established to determine the long-term direction of the Swedish sugar industry. All uses, including gasohol, will be considered in the study.

- more -

ARGENTINA is expecting a record garlic crop of 95,000 metric tons in 1979/80. The projected total is 17 percent above last season's output due to expanded plantings (estimated at 18,800 hectares this season compared with 17,700 in 1978/79) and improved yields.

TOBACCO

ZIMBABWE's flue-cured tobacco auction has been beset by low prices and slow sales since its opening in early April, due in part to the poor quality of the leaf being marketed. However, the recent announcement of a smaller marketing quota for the 1981 marketing season has apparently encouraged buyers to take advantage of the present attractive prices. During weeks 12 through 14 of the

auction, both purchases and bid prices increased, although they still trailed 1979 levels by a considerable margin.

	Prices		Quantity Sold	
	1979	1980	1979	1980
	Cents per kil.		Metric tons	
Week 12	147.78	92.58	41,402	37,908
Week 13	150.62	95.12	45,890	41,832
Week 14	145.38	96.90	50,118	45,738

The 1981 marketing quota for flue-cured tobacco has been set at 70,000 tons, compared with this year's production of 115,000 tons. Each farmer's quota will be based on his sales during the last two years. Any shortfalls will be divided among other tobacco producers. Overproduction will be destroyed. It is expected that some of the land not planted to tobacco may go to corn since the corn support price has been substantially increased.

NEW RELEASES

Foreign Agriculture Circulars:

World Cotton Situation - FC 14-80

World Grain Situation Outlook for 1980/81 - FG-21-80

World Oilseeds Situation and Outlook - FOP 16-80

U.S. Exports and Imports of Oilseeds and Products Declined in May - FOP 15-80

Poultry and Egg Statistics, Selected Countries, 1964-79 - FPE 3-80

TO ORDER releases, write: U.S. Department of Agriculture, FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250.

INTERNATIONAL WEATHER AND CROP SUMMARY, JULY 17-21

EUROPE--Wet weather continued in a band extending from Belgium and Holland eastward into the USSR. Rainfall of more than 50 mm in many places (two to three times normal) kept conditions too wet for most crops. Totals in excess of 100 mm from northwestern Romania to southeastern Poland have sent rivers over their banks. Reports of crop conditions in the west remain cautiously optimistic as weather there cleared during the week. England escaped with lighter rainfall, but at the week's end a new storm was moving in from the Atlantic. Favorable weather prevailed in central and southern France as winter grain harvesting got underway. Near-normal rainfall occurred in major crop areas of Yugoslavia and Romania, but temperatures stayed below normal. Temperatures over most other countries rose to near normal. All crops need dry and still-warmer weather, but the pattern of recent weeks does not yet seem to be changing.

USSR--Rainfall in the Ukraine intensified and advanced further east, while the weather improved in parts of northern European USSR. Heavy rains of more than 100 mm (four to five times normal) in western Belorussia, the western Ukraine, and northern Moldavia created very unfavorable crop conditions, especially for winter grains ripening in the southern areas. Temperatures in these wet areas held near normal. Above-normal rainfall in Krasnodar and the southeastern Ukraine probably did not seriously disrupt winter grain harvest. Eastern winter grain areas had good harvest weather, but the hot and dry conditions were not good for spring-planted row crops in these areas.

In the New Lands, widespread showers maintained adequate soil moisture in most areas. Especially beneficial rains ranging much above normal fell across the south from the Tselinograd area eastward to beyond Semipalatinsk. Soils in these southern areas were becoming a little too dry before this week.

CHINA--Drier weather advanced into the Yangtze River basin, a real break in the wet weather which has persisted since early June. This should allow crops to recuperate somewhat from the problems of excess water. Typhoon Joe moved in over the southern coast, but rainfall totals stayed mostly below normal. Typhoon Kim was advancing into Guangdong on Sunday. In the north, wet weather returned to the Manchurian Valley, and although many locations may have been too wet for good crop development, the net effect was beneficial.

SOUTHEAST ASIA--Rainfall increased over Thailand, with most areas benefiting from above-normal amounts. Especially heavy totals in the north will boost reservoir levels. The early (dry season) rice crop in the Central Plain north of Bangkok should be nearly mature, and would benefit from drier weather, but the abundant rainfall this week will have a net positive impact on crops.

SOUTH ASIA--Heaviest rainfall shifted southward into central India, but abundant near-normal amounts continued across the north and into Bangladesh. Flooding reports now coming in reflect the heavy rains of recent weeks. Overall, however, most crops should be in good condition. Rainfall has resumed in western and southwestern areas, and only in small portions of Tamil Nadu should soil moisture be in short supply.

- more -

AUSTRALIA--Beneficial rains continued in many winter grain areas, with crops in a state of near-dormancy. A notable exception was northeastern New South Wales and southeastern Queensland, where rainfall following planting was insufficient. Crop moisture needs should now be minimal, but early development in some areas was probably below normal, and in some parts of Queensland, sowing may not have been successfully completed.

SOUTH AMERICA--Rainfall in eastern portions of Argentina's winter grain belt increased substantially, with many above-normal amounts reported. Soil moisture should be adequate over most of the belt, with dry soils causing minor concern only in some western areas. In Brazil, rainfall increased over most of the winter grain belt. Totals remained less than normal, but this moisture, added to previous week's rains, should keep the near-dormant crop in good condition.

CANADA--A slow-moving front produced showers over much of the grain belt, but totals remained generally light. The moisture served as a reasonably good followup to the previous week's beneficial rains. Dry areas in eastern Saskatchewan had received the greatest amounts during the previous week. Crops reportedly were much improved, especially the later-planted fields, but substantial yield reductions are still anticipated in Saskatchewan and Manitoba. Only in Alberta are normal yields expected.

MEXICO--Showers continued in a pattern similar to the previous week's, but amounts slackened to somewhat below normal. The rains maintained adequate soil moisture for maize, which is now flowering in southern crop areas to the west of Mexico City. The showers also spread to the northeast where they eased conditions to some degree; however, dryness still plagues crops there. The northeast was the only region with substantially above-normal temperatures, reflecting the lack of moisture.

- more -

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 29, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWSR-12.5%..	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. No. 2 DNS/NS: 14%.....	214.00	5.82	-19	192.00
U.S. No. 2 DHW/HW:13.5%....	208.00	5.66	- 6	201.00
U.S. No. 2 S.R.W.....	199.00	5.42	-19	185.00
U.S. No. 3 H.A.D.....	316.00	8.60	-25	224.00
Canadian No. 1 A: Durum....	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
Feedgrains:				
U.S. No. 3 Yellow Corn.....	157.50	4.00	-1	141.75
U.S. No. 2 Sorghum <u>2/</u>	168.50	4.28	+1	141.00
Feed Barley <u>3/</u>	171.50	3.73	-8	146.00
Thailand Tapioca.....	178.25	--	-2.75 <u>5/</u>	--
Soybeans:				
U.S. No. 2 Yellow.....	303.00	8.25	-59	303.50
Argentine <u>4/</u>	292.50	7.96	-83	294.00
U.S. 44% Soybean Meal (M.T.)	248.00	--	-12.50 <u>5/</u>	234.00
EC Import Levies				
Wheat <u>6/</u>	127.35	3.47	-16	114.65
Barley.....	111.30	2.42	-3	99.90
Corn	125.65	3.19	-17	118.35
Sorghum.....	110.65	2.81	-15	113.45

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton.

6/ Other than Durum wheat.

NOTE: Basis August delivery.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE



AGR 101
FIRST CLASS

If you no longer need this publication, check here _____ and return this sheet and/or envelope in which it was mailed and your name will be dropped from mailing list.

If your address should be changed _____ PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U.S. Department of Agriculture
Washington, D.C. 20250

PROCUREMENT SECTION
CURRENT SERIAL RECORDS

JUL 13 '81

U.S. DEPT. OF AGRICULTURE
NAT'L LIBRARY
RECEIVED